COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of:

RATE ADJUSTMENT OF KENTUCKY-AMERICAN WATER COMPANY	)))	CASE NO. 8571

<u>O R D E R</u>

IT IS ORDERED that Kentucky-American Water Company shall file an original and six copies of the following information with the Commission, with a copy to all parties of record, by September 29, 1982. Each copy of the data requested should be placed in a bound volume with each item tabbed. Where a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Careful attention should be given to copied material to insure that it is legible. For an applicant operating exclusively in Kentucky, the terms total company and Kentucky have identical meanings. Therefore, such an applicant should only provide one set of figures where both terms are used. Moreover, Kentucky-American should furnish the name of the witness who will be responsible for responding to questions concerning each area of information outlined as follows.

Staff Request No. 1

1. In comparative form, a total company income statement, a statement of changes in financial position and a balance sheet for the test year and the 12-month period immediately preceding the test year.

2. A trial balance as of the last day of the test year (all income statement accounts should show activity for 12 months) showing account number, account title, and amount. Show the balance in each control and all underlying subaccounts per company books.

3. The balance in each current asset and each current liability account and subaccount included in the applicant's chart of accounts by months for the test year. Additionally, show total current assets, total current liabilities and the net current position by months, annually, and the 13-month average for the test year. Provide a reconciliation of current assets, current liabilities and net current position provided in response to the above with the current assets and current liabilities as shown on the balance sheet for each month of the test year.

4. List each general office account (asset, reserve, and expense accounts) covering the 12 months of the test year. If any amounts were allocated, provide a calculation of the factor used to allocate each amount.

5. The following monthly account balances and a calculation of the average (13 months) account balances for the test year:

a. Plant in service (Account 101)

b. Plant purchased or sold (Account 106)

c. Property held for future use (Account 105)

d. Construction work in progress (Account 107) - (Show separately CWIP elgible for interest during construction)

e. Completed construction not classified (Account 102)

f. Depreciation reserve (Account 108)

g. Plant acquisition adjustment (Account 114)

h. Amortization of utility plant acquisition adjustment (Account 115)

i. Materials and supplies (include all accounts and subaccounts)

j. Balance in accounts payable applicable to each account in i above. (If actual is indeterminable, give reasonable estimate)

k. Unamortized investment credit - Pre-Revenue Act of 1971

l. Unamortized investment credit - Revenue Act of 1971

m. Accumulated deferred income taxes

n. Computation and development of minimum cash requirement (if calculated)

o. Balance in accounts payable applicable to amounts included in utility plant in service (If actual is indeterminable, give reasonable estimate)

p. Balance in accounts payable applicable to amounts included in plant under construction (If actual is indeterminable, give reasonable estimate).

q. Short-term borrowing.

r. Interest on short-term borrowings (expense).

s. A summary of customer deposits as shown in Format 5s to this request.

6. Provide copies of all current labor contracts and agreements and copies of the most recent contracts and agreements previously in effect.

7. In the event of any labor contract changes, provide copies of the re-negotiated contracts when available.

8. How much of the rate case expense was incurred in Case No. 8256 during the test period?

9. Provide the following information for each item of property held for future use at the end of the test year:

a. Description of property

b. Location

c. Date purchased

d. Cost

e. Estimated date to be placed in service

f. Brief description of intended use

g. Current status of each project

10. Schedules in comparative form showing by months for the test year and the year preceding the test year the total company balance in each plant and reserve account or subaccount included in the applicant's chart of accounts as shown in Format 10.

11. Provide the journal entries relating to the purchase of utility plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise since the end of the test period in the last rate case. Also, a schedule showing the calculation of the acquisition adjustment at the date of purchase of each item of plant, the amortization period, and the unamortized balance at the end of the test year.

12. The detailed workpapers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

13. A schedule showing a comparison by month the total company and Kentucky revenue accounts for each month of the test year to the same month of the preceding year for each revenue account or subaccount included in the applicant's chart of accounts. Include appropriate footnotes to show the month each rate increase was granted and the month the full increase was recorded in the same accounts. See Format 10.

14. Provide a detailed analysis of expenses incurred during the test year for professional services as shown in Format 14 and all working papers supporting the analysis. At minimum, the working papers should show the payee, dollar amount, reference (i.e., voucher no., etc.), account charged, hourly rates and time charged to the company according to each invoice, and a description of the service provided.

15. a. A schedule showing a comparison of the balance in the total company and Kentucky operating expense accounts for each month of the test year to the same month of the preceding year for each account or subaccount included in the applicant's chart of accounts. See Format 10.

b. A schedule in comparative form showing the total company and Kentucky operating expense account balance for the test year and each of the 5 years preceding the test year for each account or subaccounts included in the applicant's annual report. Show the percentage of increase of each year over the prior years.

c. A schedule of total company salaries and wages for the test year and each of the 5 calendar years preceding the test year in the format as shown in Format 15c to this request.

d. A schedule showing the percentage of increase in salaries and wages for both union and nonunion employees for the test year and the 5 preceding years.

16. The following tax data for the test year for total company and Kentucky operations:

a. Income taxes:

(1) Federal operating income taxes deferred - accelerated tax depreciation

(2) Federal operating income taxes deferred - other (explain)

(3) Federal income taxes - operating

(4) Income credits resulting from prior deferrals of Federal income taxes

(5) Investment tax credit net

(i) Investment credit realized

(ii) Investment credit amortized - Pre Revenue Act of 1971

(iii) Investment credit amortized - Revenue Act of 1971

(6) Provide the information in (1) through (4) for state income taxes

(7) (i) Reconciliation of book to taxable income as shown in Format 16a(7) and a calculation of the book federal and state income tax expense for the test year using book taxable income as the starting point

(ii) Provide a reconciliation of the consolidated book to consolidated taxable income as shown in Format 16a(7) attached and a calculation of the consolidated federal income tax expense. The calculation should break down the federal income tax expense into the provision for deferred taxes and the provision for the current liability due on the consolidated return.

(8) A copy of federal and state income tax returns for the taxable year ended during the test year including supporting schedules (three copies required)

b. An analysis of Kentucky other operating taxes in the format as shown in Format 16b to this request.

17. A schedule of total company net income per cubic feet of water per company books for the test year and the 5 years preceding the test year. This data should be provided in the format as shown in Format 17 to this request.

18. The comparative operating statistics in Format 18 to this request.

19. A schedule of total company average plant in service per cubic feet of water sold by account per company books for the test year and the 5 calendar years preceding the test year. This data should be provided in the format as shown in Format 19 to this request.

20. A statement of plant in service per company books for the test year. This data should be presented in the format as shown in Format 20 to this request.

21. a. A detailed analysis of all charges booked during the test period for advertising expenditures. This analysis should include a complete breakdown of Account 913 - Advertising Expenses, as shown in Format 21a attached and further should show any other advertising expenditures included in any other expense accounts. The analysis should be specific as to the purpose of the expenditure and the expected benefit to be derived.

b. An analysis of Account 930 - Miscellaneous General Expenses, for the test period. This analysis should show a complete breakdown of this account as shown in attached Format 21b and further provide all detailed working papers supporting this analysis.

As a minimum, the work papers should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount and brief description of each expenditure. Detailed analysis is not required for amounts of less than $500 provided the items are grouped by classes as shown in Format 21b attached.

c. An analysis of Account 426 - Other Income Deductions for the test period. This analysis should show a complete breakdown of this account as shown in attached Format 21c, and further provide all detailed working papers supporting this analysis. As a minimum the work papers should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount and brief description of each expenditure. Detailed analysis is not required for amounts of less than $500 provided the items are grouped by classes as shown in Format 21c attached.

22. A detailed analysis of contributions for charitable and political purposes (in cash or services), if any, recorded in accounts other than Account 426. This analysis should indicate the amount of the expenditure, the recipient of the contribution and the specific account charged.

23. A statement describing the applicant's lobbying activities and a schedule showing the name of the individual, his salary, and

all company-paid or reimbursed expenses or allowances and the account charged for all personnel for whom a principal function is that of lobbying, whether it be lobbying on the local, state, or national level.

24. A schedule showing for the test year and the year preceding the test year with each year shown separately the following information regarding the applicant's investments in subsidiaries and joint ventures.

a. Name of subsidiary or joint venture

b. Date of initial investment

c. Amount and type of investment made for each of the 2 years included in this schedule

d. Balance sheet and income statement for the test year and the year preceding the test year. Where only internal statements are prepared, furnish copies of these.

e. Show on separate schedule all dividends or income of any type received by applicant from its subsidiaries or joint ventures for each of the 2 years and indicate how this income is reflected in the reports filed with the Commission and the stockholder reports.

f. Name of officers of each of the subsidiaries or joint ventures, officers' annual compensation, and portion of compensation charged to the subsidiary or joint venture. Also, indicate the position each officer holds with the applicant and the compensation received from the applicant.

25. Provide a detailed analysis of the retained earnings account for the test period and the 12-month period immediately preceding the test period.

26. Provide the following with regard to uncollectible accounts for the test year and 5 preceding calendar years (taxable year acceptable) for total company:

a. Reserve account balance at the beginning of the year

b. Charges to reserve account (accounts charged off)

c. Credits to reserve account

d. Current year provision

e. Reserve account balance at the end of the year

f. Percent of provision to total revenue

27. Additional data relating to affiliated or parent company(s).

a. Consolidated parent and subsidiaries balance sheet, income statement, and statement of changes in financial position for test year and last two calendar years.

b. Schedule showing balance sheet, income statement, and retained earnings adjusting entries for Kentucky subsidiary in its consolidation with the parent company and affiliated companies.

c. Schedule of company's home office and/or inter-company charges; monthly for the test year and yearly for the last 2 calendar years. State the type of goods or services provided (i.e., supplies capitalized, data service, management services, etc.). The amount by type from each billing unit and the method used in billing (i.e., direct, allocated) and basis for allocating common charges.

d. Schedule of federal income tax reductions due to filing a consolidated parent tax return for last 2 taxable years. Show source and type of reduction, and method and basis of allocating to companies and states.

28. A listing of nonutility property and property taxes and account where amounts are reported.

29. Rates of return in Format 29 to this request.

30. Employee data in Format 30 to this request.

31. A calculation of the rate or rates used to capitalize interest during construction for the test year and the 3 preceding calendar years. Provide a narrative explanation of each component entering into the calculation of the rate.

32. Any information as soon as it is known, which would have a material effect on net operating income, rate base and the cost of capital which occurred after the test period and was not incorporated in the filed testimony and exhibits.

33. A detailed monthly income statement for each month after the test period including the month in which the hearing ends, as they become available.

34. Capital structure at the end of each of the periods as shown in Format 34.

35. a. Provide a list of all outstanding issues of long term debt as of end of the latest calendar year and the end of the test period together with the related information as shown in Format 35a. A separate schedule is to be provided for each time period. Report in Column (k) of Format 35a, Schedule 2 the actual dollar amount of debt cost for the test year. Compute the actual and annualized composite debt cost rates and report them in Column (j) of Format 35a, Schedule 2.

b. Provide an analysis of end of period short-term debt and a calculation of the average and end of period cost rates as shown in Format 35b.

36. Provide a list of all outstanding issues of preferred stock as of end of the latest calendar year and the end of the test period as shown in Format 36. A separate schedule is to be

provided for each time period. Report in column (h) of Format 36, Schedule 2, the actual dollar amount of preferred stock cost accrued and/or paid during the test year. Compute the actual and annualized preferred stock cost rate and report the results in Column (h) of Format 36, Schedule 2.

37. a. Provide a listing of all issues of common stock in the primary market during the most recent 10-year period as shown in Format 37a.

b. Provide the common stock information on a quarterly and yearly basis for the most recent 5 calendar years available, and through the latest available quarter as shown in Format 37b.

c. Provide monthly market price figures for common stock for each month during the most recent 5-year period and for the months through the date the application is filed as shown in Format 37c. Provide a listing of all stock splits by date and type.

38. Provide a computation of fixed charge coverage ratios for the 5 most recent calendar years and for the test year as shown in Format 38.

39. A listing of present or proposed research efforts dealing with the pricing of water and the current status of such efforts.

40. a. A schedule of the present and proposed rates, charges, terms and conditions, and service rates and regulations which the applicant seeks to change, shown in comparative form.

b. A detailed analysis of customers' bills, adjusted to actual usage and in such detail that the revenues from the present and proposed rates can be readily determined.

c. A schedule of test year revenues for each rate schedule per book rates, present rates annualized, and proposed rates annualized.

d. A schedule setting forth the effect upon average consumer bills.

e. A statement setting forth estimates of the effect that the new rate or rates will have upon the revenues of the utility, the total amount of money resulting from the increase or decrease and the percentage increase or decrease.

f. A schedule showing by customer class (i.e., residential, commercial, industrial, etc.) the amount and percent of any proposed increase or decrease in revenue distributed to each class. This schedule is to be accompanied by a statement which explains in detail the methodology or bases used to allocate the requested increase or decrease in revenue to each of the respective customer classes.

g. A schedule showing how the increase or decrease in (f) above further distributed to each rate charge (i.e., customer or facility charge, gallons charge, etc.). This schedule is to be accompanied by a statement which explains, in detail, the methodology or basis used to allocate the increase or decrease.

h. A statement showing by cross-outs and italicized inserts all proposed changes in rates, charges, terms and conditions, and service rules and regulations for each rate or charge. Copy of current tariff may be used. Item 40 should be provided where not previously included in the record.

41. Provide a schedule reflecting the salaries and other compensation of each executive officer for the test year and the preceding 5 calendar years. Include the percentage annual increase and the effective date of each increase.

42. Provide an analysis of the company's expenses for research and development activities for the test year and the 5 preceding calendar years. For the test year, include the following details.

a. Basis of fees paid to research organizations and company's portion of the total revenue of each organization. Where the contribution is monthly, provide the current rate and the effective date.

b. Details of the research activities conducted by each organization.

c. Details of services and other benefits provided to the company by each organization during the test year and the calendar year 1981.

d. Total expenditures of each organization during 1981 including the basic nature of costs incurred by the organization.

43. Did any organization listed Item 42 make any direct or indirect payments for political purposes or lobbying activities during the test year or any of the 5 preceding calendar years? If so, provide the following:

a. Amount of payment

b. Person or organization receiving payments

c. Portion of the company's contribution allocated to these payments. (Provide calculations in support of this determination.)

44. Did any organization listed in Item 42 incur expenses for advertising within the definition provided in 807 KAR 5:016E? If so, provide the following:

a. A breakdown of the total cost into these categories: sales or promotional, institutional, conservation and other.

b. Forms of media used.

c. Portion of the company's contribution allocated to these costs. (Provide calculations in support of this determination.)

Done at Frankfort, Kentucky, this 10th day of September, 1982.

PUBLIC SERVICE COMMISSION

Marlin M. Volz

For the Commission

ATTEST:

Secretary

Format 5s

Kentucky-American Water Company

Case No. 8571

SUMMARY OF CUSTOMER DEPOSITS

Test Year

Line No.	Month (a)	Receipts (b)	Refunds (c)	Balance (d)
1.	Balance beginning of test year			
2.	1st Month			
3.	2nd Month			
4.	3rd Month			
5.	4th Month			
6.	5th Month			
7.	6th Month			
8.	7th Month			
9.	8th Month			
10.	9th Month			
11.	10th Month			
12.	11th Month			
13.	12th Month			
14.	Total (L1 through L13)			
15.	Average balance (L14 ÷ 13)			
16.	Amount of deposits received during test period			
17.	Amount of deposits refunded during test period			
18.	Number of deposits on hand end of test year			
19.	Average amount of deposit (L15, Column (d) ÷ L18)			
20.	Interest paid during test period			
21.	Interest accrued during test period			
22.	Interest rate			

Format 10

Kentucky-American Water Company

Commonwealth of Kentucky

Case No. 8571

COMPARISON OF TEST YEAR ACCOUNT BALANCES WITH THOSE OF THE PRECEEDING YEAR

Account Title and Account Number	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month	8th Month	9th Month	10th Month	11th Month	12th Month	Total
Test Year													
Prior Year													
Increase (Decrease)													

Case No.

Professional Service Expenses

For the Twelve Months Ended

Line No.	Item	Rate Case	Annual Audit	Other	Total
1.	Legal				
2.	Engineering				
3.	Accounting				
4.	Other				
5.	Total				

Kentucky-American Water Company

Case No. 8571

ANALYSIS OF SALARIES AND WAGES

For the Calendar Years 19 Through 19
And the Test Year

(000's)

		12 Months Ended											
		Calendar Years Prior to Test Year										Test	
		5th		4th		3rd		2nd		1st			
Line No.	Item (a)	Amount (b)	% (c)	Amount (d)	% (e)	Amount (f)	% (g)	Amount (h)	% (i)	Amount (j)	% (k)	Amount (l)	(
1.	Wages charged to expense:												
2.	Source of Supply												
	(a) operation												
	(b) maintenance												
3.	Pumping												
	(a) operation												
	(b) maintenance												
4.	Transmission and Distribution												
	(a) operation												
	(b) maintenance												
5.	Customer accounts expense												
6.	Sales expenses												
7.	Administrative and general expenses:												
	(a) Administrative and general salaries												
	(b) Office supplies and expense												
	(c) Administrative expense transferred-cr.												
	(d) Outside services employed												
	(e) Property insurance												
	(f) Injuries and damages												

Line No.	Item (a)	Calendar Years Prior to Test Year: 5th Amount (b)	5th % (c)	4th Amount (d)	4th % (e)	3rd Amount (f)	3rd % (g)	2nd Amount (h)	2nd % (i)	1st Amount (j)	1st % (k)	Test Year Amount (l)	Test Year % (m)
7.	Administrative and general expenses (continued):												
	(g) Employees pensions and benefits												
	(h) Franchise requirements												
	(i) Regulatory commission expenses												
	(j) Duplicate charges-cr.												
	(k) Miscellaneous general expense												
	(l) Rents												
	(m) Maintenance of general plant												
8.	Total administrative and general expenses L9(7) through (19(m)												
9.	Total salaries and wages charged expense (L2 through L6 + L8)												
10.	Wages capitalized												
11.	Total Salaries and wages												
12.	Ratio of salaries and wages charged expense to total wages (L9 ÷ L11)												
13.	Ratio of salaries and wages capitalized to total wages (L12 ÷ L13)												

Note: Show percent increase of each year over the prior year in Columns (c), (e), (g), (i), (k), and (m).

Format 16a(7)
Schedule 1

Kentucky-American Water Company

Commonwealth of Kentucky
Case No. 8571
RECONCILIATION OF BOOK NET INCOME AND FEDERAL TAXABLE INCOME
12 Months Ended

Line No.	Item	Ky. Combined (a)	Ky. Intrastate (b)
1.	Net income per books		
2.	Add income taxes:		
3.	A. Federal income tax-Current		
4.	B. Federal income tax deferred-Depreciation		
5.	C. Federal income tax deferred-Other		
6.	D. Investment tax credit adjustment		
7.	E. Federal income taxes charged to other income and deductions		
8.	F. State income taxes		
9.	G. State income taxes charged to other income and deductions		
10.	Total		
11.	Flow through items:		
12.	Add (itemize)		
13.	Deduct (itemize)		
14.	Book taxable income		
15.	Differences between book taxable income and taxable income per tax return:		
16.	Add (itemize)		
17.	Deduct (itemize)		
18.	Taxable income per return		

NOTE: (1) Provide a calculation of the amount shown on Lines 3 through 7 above.
(2) Provide work papers supporting each calculation including the depreciation schedules for straight-line tax and accelerated tax depreciation.
(3) Provide a schedule setting forth the basis of allocation of each item of revenue or cost allocated above.

Format 16a(7)
Schedule 2

Kentucky-American Water Company

Commonwealth of Kentucky
Case No. 8571
RECONCILIATION OF BOOK NET INCOME AND STATE TAXABLE INCOME
12 Months Ended

Line No.	Item	Ky. Combined (a)	Ky. Intrastate (b)
1.	Net income per books		
2.	Add income taxes:		
3.	A. Federal income tax-Current		
4.	B. Federal income tax deferred-Depreciation		
5.	C. Federal income tax deferred-Other		
6.	D. Investment tax credit adjustment		
7.	E. Federal income taxes charged to other income and deductions		
8.	F. State income taxes		
9.	G. State income taxes charged to other income and deductions		
10.	Total		
11.	Flow through items:		
12.	Add (itemize)		
13.	Deduct (itemize)		
14.	Book taxable income		
15.	Differences between book taxable income and taxable income per tax return:		
16.	Add (itemize)		
17.	Deduct (itemize)		
18.	Taxable income per return		

NOTE: (1) Provide a calculation of the amount shown on Lines 8 through 9 above.
(2) Provide work papers supporting each calculation including the depreciation schedules for straight-line tax and accelerated tax depreciation.
(3) Provide a schedule setting forth the basis of allocation of each item of revenue or cost allocated above.

Format 16b

Kentucky-American Water Company

COMPANY NAME

Case No. 8571

Analysis of Other Operating Taxes
12 Months Ended ____________

"000 Omitted"

Line No.	Item	Charged Expense (a)	Charged to Construction (b)	Charged to Other Accounts (c)	Amount Accrued (d)	Amount Paid (e)
1.	Kentucky Retail:					
	(a) State Income					
	(b) Ad Valorem (Property)					
	(c) Payroll (Employers Portion)					
	(d) Other Taxes					
2.	Total Kentucky Retail (L1(a) through L1(d))					
3.	Other Jurisdictions					
	Total Per Books (L2 + L3)					

nstructions:
1. Explain items in column (c).

Kentucky-American Water Company

Commonwealth of Kentucky

Case No. 8571

NET INCOME PER CUBIC FT. OF WATER
(TOTAL COMPANY)

Account No.	Item (a)	Calendar Years Prior to Test Years 5th (b)	4th (c)	3rd (d)	2nd (e)	1st (f)	Test Year (g)
400	Operating Revenues						
	Operating Expenses						
401	Operating Expense						
402	Maintenance Expense						
403	Depreciation Expense						
404	Amortization of Limited-Term Utility Plant						
405	Amortization of Other Utility Plant						
406	Amortization of Utility Plant Acquisition Adjustments						
407	Amortization of Property Losses						
408.1	Taxes Other than Income Taxes Utility Operating Income						
409.9	Income Taxes Utility Operating Income						
410.1	Provision for Deferred Income Taxes Utility Operating Income						
411.1	Income Taxes Deferred in Prior Years - Credit Utility Operating Income						
412.1	Investment Tax Credits Utility Operations Deferred to Future Periods						
412.2	Investment Tax Credits Utility Operations Restored to Operating Income						
	Total Operating Expenses						
	Operating Income						
413	Income from Utility Plant Leased to Others						
414	Gains (Losses) from Disposition of Utility Property						
	Total Utility Operating Income						

2. Other Income and Deductions

A. Other Income

415	Revenue from Merchandising Jobbing and Contract Work						
416	Costs and Expense of Merchandising Jobbing and Contract Work						
417	Income from Nonutility Operations						
418	Nonoperating Rental Income						
419	Interest and Dividend Income						
420	Allowance for Funds Used During Construction						
421	Miscellaneous Nonoperating Income						
422	Gains (Losses) from Dispositions of Property						
	Total Other Income						

B. Other Income Deductions

425	Miscellaneous Amortization						
426	Miscellaneous Income Deductions						
	Total Other Income Deductions						
	Total Other Income and Deductions						

Kentucky-American Water Company

Commonwealth of Kentucky

Case No. 8571

NET INCOME PER CUBIC FT. OF WATER SOLD
(Total Company)

Account No.	Item (a)	12 Months Ended — Calendar Years Prior to Test Year: 5th (b)	4th (c)	3rd (d)	2nd (e)	1st (f)	Test Year
	C. Taxes Applicable to Other Income and Deductions						
408.2	Taxes Other Than Income Taxes Other Income and Deductions						
409.2	Income Taxes Other Income and Deductions						
410.2	Provisions for Deferred Income Taxes Other Income and Deductions						
411.2	Income Taxes Deferred in Prior Years - Credit Other Income and Deductions						
412.3	Investment Tax Credits Utility Operations Restored to Nonoperating Income						
412.4	Investment Tax Credits Nonutility Operation Net						
	Total Taxes on Other Income and Deductions						
	Net Other Income and Deductions						
	3. Interest Charges						
427	Interest on Long-Term Debt						
428	Amortization of Debt Discount and Expense						
429	Amortization of Premium on Debt - Cr.						
430	Interest on Debt to Associated Companies						
431	Other Income Expense						
	Total Interest Charges						
	Income before Extraordinary Items						
	4. Extraordinary Items						
433	Extraordinary Income						
434	Extraordinary Deductions						
435.3	Income Taxes Extraordinary Items						
	Net Income						

Kentucky-American Water Company

Commonwealth of Kentucky

Case No. 8571

COMPARATIVE OPERATING STATISTICS
Test Year Ending May 31, 1982

Line No.	Item (a)	5th (b)	4th (c)	3rd (d)	2nd (e)	1st (f)	Test Year (g)	Net Change Since 5th Prior Year + Increase - Decrease (h)
	Operating Expenses as a Percentage of:							
	Gross operating revenues (include uncollectibles)							
	Total operation & maintenance expenses (excluding depreciation)							
	Gross plant in service (end-of-period)							
	Operating Expenses Per:							
	Average number of customers							
	Average 1000 gallons water sold							
	Materials and Supplies							
	Materials and supplies as a percentage of gross plant in service, both on an end-of-period basis							
	Average materials and supplies per 1000 gallons of water sold							
	Wages and Salaries as a Percentage of:							
	Gross operating revenues							
	Total operating expenses excluding depreciation							
	Depreciation Expenses:							
	Per $100 of average gross plant in service							
	Property Taxes:							
	Per $100 of average gross plant in service							
	Interest Expense:							
	Per $100 of average debt outstanding							
	Per $100 of average debt investment							

Kentucky-American Water Company

Case No. 8571

Average Water Plant Service By Account Per 100 Cu. Feet Sold

For the Calendar Year 19 Through 19 and the Test Year Ended

(Total Company)

Account Number	Title of Accounts (a)	12 Month Ended Calendar Years Prior to Test Year 5th (b)	4th (c)	3rd (d)	2nd (e)	1st (f)	Test Year (g)
	1. Intangible Plant						
301.	Organization						
302.	Franchises and Consents						
303.	Miscellaneous Intangible Plant						
	2. Source of Supply Plant						
310.	Land and Land Rights						
311.	Structures and Improvements						
312.	Collecting and Impounding Reservoirs						
313.	Lake, River and Other Intakes						
314.	Wells and Springs						
315.	Infiltration Galleries and Tunnels						
316.	Supply Mains						
317.	Other Water Source Plant						
	3. Pumping Plant						
320.	Land and Land Rights						
321.	Structures and Improvements						
322.	Boiler Plant Equipment						
323.	Other Power Production Equipment						
324.	Steam Pumping Equipment						
[illegible]	Electric Pumping Equipment						
[illegible]	Diesel Pumping Equipment						
327.	Hydraulic Pumping Equipment						
328.	Other Pumping Equipment						

Format 19
Sheet 2 of 2

Account Number	Title of Accounts (a)	12 Month Ended					
		Calendar Years Prior to Test Year					Test Year
		5th (b)	4th (c)	3rd (d)	2nd (e)	1st (f)	(g)
	4. Water Treatment Plant						
330.	Land and Land Rights						
331.	Structures and Improvements						
332.	Water Treatment Equipment						
	5. Transmission and Distribution Plant						
340.	Land and Land Rights						
341.	Structures and Improvements						
342.	Distribution Reservoirs and Standpipes						
343.	Transmission and Distribution Mains						
344.	Fire Mains						
345.	Services						
346.	Meters						
347.	Meter Installations						
348.	Hydrants						
349.	Other Transmission and Distribution Plant						
	6. General Plant						
389.	Land and Land Rights						
390.	Structures and Improvements						
391.	Office Furniture and Equipment						
392.	Transportation Equipment						
393.	Stores Equipment						
394.	Tools, Shop and Garage Equipment						
395.	Laboratory Equipment						
396.	Power Operated Equipment						
397.	Communication Equipment						
398.	Miscellaneous Equipment						
399.	Other Tangible Property						

Kentucky-American Water Company

Case No. 8571

Statement of Water Plant In Service

12 Months Ended

(Total Company)

Account Number	Title of Accounts (a)	Beginning Balance (b)	Additions (c)	Retirements (d)	Transfers (e)	Endin Balanc (f)
	1. Intangible Plant					
301.	Organization					
302.	Franchises and Consents					
303.	Miscellaneous Intangible Plant					
	2. Source of Supply Plant					
310.	Land and Land Rights					
311.	Structures and Improvements					
312.	Collecting and Impounding Reservoirs					
313.	Lake, River and Other Intakes					
314.	Wells and Springs					
315.	Infiltration Galleries and Tunnels					
316.	Supply Mains					
317.	Other Water Source Plant					
	3. Pumping Plant					
320.	Land and Land Rights					
321.	Structures and Improvements					
322.	Boiler Plant Equipment					
323.	Other Power Production Equipment					
324.	Steam Pumping Equipment					
325.	Electric Pumping Equipment					
326.	Diesel Pumping Equipment					
327.	Hydraulic Pumping Equipment					
328.	Other Pumping Equipment					

...unt ...er	Title of Accounts	Beginning Balance (b)	Additions (c)	Retirements (d)	Transfers (e)	Ending Balance (f)
	4. Water Treatment Plant					
330.	Land and Land Rights					
331.	Structures and Improvements					
332.	Water Treatment Equipment					
	5. Transmission and Distribution Plant					
340.	Land and Land Rights					
341.	Structures and Improvements					
342.	Distribution Reservoirs and Standpipes					
343.	Transmission and Distribution Mains					
344.	Fire Mains					
345.	Services					
346.	Meters					
347.	Meter Installations					
348.	Hydrants					
349.	Other Transmission and Distribution Plant					
	6. General Plant					
389.	Land and Land Rights					
390.	Structures and Improvements					
391.	Office Furniture and Equipment					
392.	Transportation Equipment					
393.	Stores Equipment					
394.	Tools, Shop and Garage Equipment					
395.	Laboratory Equipment					
396.	Power Operated Equipment					
397.	Communication Equipment					
398.	Miscellaneous Equipment					
399.	Other Tangible Property					

Format 21a

Kentucky-American Water Company

Case Number 8571

ACCOUNT 913 - ADVERTISING EXPENSE

For the 12 Months Ended

(Total Company)

Line No.	Item (a)	Sales or Promotional Advertising (b)	Institutional Advertising (c)	Conservation Advertising (d)	Rate Case (e)	Other (f)	Total (g)
1.	Newspaper						
2.	Magazines and Other						
3.	Telvision						
4.	Radio						
.	Direct Mail						
.	Sales Aids						
.	Total						
.	Amount Assigned to Ky. Retail						

Kentucky-American Water Company

Case No. 8571

ACCOUNT 930 - MISCELLANEOUS GENERAL EXPENSES

For the 12 Months Ended

(Total Company)

(000's)

Line No.	Item (a)	Amount (b)
1.	Industry Association Dues	
2.	Stockholder and Debt Servicing Expenses	
3.	Institutional Advertising	
4.	Conservation Advertising	
5.	Rate Department Load Studies	
6.	Water, and Other Testing and Research	
7.	Directors' Fees and Expenses	
8.	Dues and Subscriptions	
9.	Miscellaneous	
10.	Total	
11.	Amount Assigned to Ky. Retail	

Kentucky-American Water Company

Case No. 8571

ACCOUNT 426 - MISCELLANEOUS INCOME DEDUCTIONS

For the 12 Months Ended

(Total Company)

(000's)

Line No.	Item (a)	Amount (b)
1.	Donations	
2.	Civic Activities	
3.	Political Activities	
4.	Other	
5.	Total	
6.	Amount Assigned to Ky. Retail	

Format 29

Kentucky-American Water Company

Case No. 8571

AVERAGE RATES OF RETURN

For the Calendar Years Through and the 12 Month Ended

Line No.	Calendar Years Prior to Test Year (a)	Total Company (b)	Ky. Retail (c)	Other Retail Jurisdictions (d)
1.	Original Cost Net Investment:			
2.	5th Year			
3.	4th Year			
4.	3rd Year			
5.	2nd Year			
6.	1st Year			
7.	Test Year			
8.	Original Cost Common Equity:			
9.	5th Year			
0.	4th Year			
1.	3rd Year			
2.	2nd Year			
3.	1st Year			
.	Test Year			

TE: Provide work papers in support of the above calculations.

Kentucky-American Water Company

Case No. 8571

SCHEDULE OF NUMBER OF EMPLOYEES, HOURS PER EMPLOYEE, AND AVERAGE WAGES PER EMPLOYEE

Calendar Years Prior to Test Year	Source of Supply			Water Treatment			Transmission and Distribution			Customer Accounts and Sales			Administrative and General		
	No.	Hrs.	Wages	No.	Hrs.	Wages	No.	Hrs.	Wages	No.	Hrs.	Wages	No.	Hrs.	Wages
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)
5th Year															
% Change															
4th Year															
% Change															
3rd Year															
% Change															
2nd Year															
% Change															
1st Year															
% Change															
Test Year															
% Change															

NOTE: (1) Where an employee's wages are charged to more than one function include employee in function receivi largest portion of total wages.
(2) Show percent increase (decrease) of each year over the prior year on lines designated above "%Change
(3) Employees, weekly hours per employee, and weekly wages per employee for the week including December of each year and the last day of the test year.

Kentucky-American Water Company

Case No. 8571

SCHEDULE OF NUMBER OF EMPLOYEES, HOURS PER EMPLOYEE, AND AVERAGE WAGES PER EMPLOYEE (Continued)

Calendar Years Prior to Test Year	Construction			Total		
	No.	Hrs.	Wages	No.	Hrs.	Wages
(A)	(Q)	(R)	(S)	(T)	(U)	(V)
5th Year						
% Change						
4th Year						
% Change						
3rd Year						
% Change						
2nd Year						
% Change						
1st Year						
% Change						
Test Year						
% Change						

NOTE: (1) Where an employee's wages are charged to more than one function include employee in function receiving largest portion of total wages.
(2) Show percent increase (decrease) of each year over the prior year on lines designated above "% Change."
(3) Employees, weekly hours per employee, and weekly wages per employee for the week including December 31 of each year and the last day of the test year.

Kentucky-American Water Company

Case No. 8571

Comparative Capital Structures (Excluding JDITC)

For the Periods as Shown

"000 Omitted"

Line No.	Type of Capital	10th Year		9th Year		8th Year		7th Year		6th Year		5th Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1.	Long Term Debt												
2.	Short Term Debt												
3.	Preferred & Preference Stock												
4.	Common Equity												
5.	Other (Itemize by type)												
6.	Total Capitalization												

Kentucky-American Water Company

Case No. 8571

Comparative Capital Structures (Excluding JDITC)

For the Periods as Shown

"000 Omitted"

Line No.	Type of Capital	4th Year Amount	4th Year Ratio	3rd Year Amount	3rd Year Ratio	2nd Year Amount	2nd Year Ratio	1st Year Amount	1st Year Ratio	Test Year Amount	Test Year Ratio	Average Test Year Amount	Average Test Year Ratio
1.	Long Term Debt												
2.	Short Term Debt												
3.	Preferred & Preference Stock												
4.	Common Equity												
5.	Other (Itemize by type)												
6.	Total Capitalization												

Kentucky-American Water Company

Case No. 8571

Comparative Capital Structures (Excluding JDITC)

For the Periods as Shown

"000 Omitted"

Line No.	Type of Capital	Latest Available Quarter Amount	Latest Available Quarter Ratio
1.	Long Term Debt		
2.	Short Term Debt		
3.	Preferred & Preference Stock		
4.	Common Equity		
5.	Other (Itemize by Type)		
6.	Total Capitalization		

Instructions:

2. Provide a calculation of the average test year data as shown in Format 34, Schedule 2.
3. If the applicant is a member of an affiliated group, the above data is also to be provided for the parent company and the system consolidated.

Format 34
Schedule 2

Kentucky-American Water Company

Case No. 8571

Calculation of Average Test Period Capital Structure
12 Months Ended ________

"000 Omitted"

Line No.	Item (a)	Total Capital (b)	Long-Term Debt (c)	Short-Term Debt (d)	Preferred Stock (e)	Common Stock (f)	Retained Earnings (g)	Total Common Equity (h)
1.	Balance beginning of test year							
2.	1st Month							
3.	2nd Month							
4.	3rd Month							
5.	4th Month							
6.	5th Month							
7.	6th Month							
8.	7th Month							
9.	8th Month							
10.	9th Month							
11.	10th Month							
12.	11th Month							
13.	12th Month							
14.	Total (L1 through L13)							
15.	Average balance (L14 ÷ 13)							
16.	Average capitalization ratios							
17.	End-of-period capitalization ratios							

Instructions:

If applicable, provide an additional schedule in the above format excluding common equity in subsidiaries from the total company capital structure. Show the amount of common equity excluded.

Format 35a
Schedule 1

Kentucky-American Water Company

Case No. 8571

Schedule of Outstanding Long-Term Debt
For the Calendar Year Ended December 31 __

Line No.	Type of Debt Issue (a)	Date of Issue (b)	Date of Maturity (c)	Amount Outstanding (d)	Coupon Interest Rate[1] (e)	Cost Rate At Issue[2] (f)	Cost Rate to Maturity[3] (g)	Bond Rating At Time of Issue[4] (h)	Type of Obligation (i)	Annualized Cost Col.(d)xCol.(g) (j)
	Total Long-Term Debt and Annualized Cost									
	Annualized Cost Rate (Total Col.(j) ÷ Total Col.(e))									

[1] Nominal Rate
[2] Nominal Rate Plus Discount or Premium Amortization
[3] Nominal Rate Plus Discount or Premium Amortization and Issuance Cost
[4] Standard and Poor's, Moody, etc.

Format 35a
Schedule 2

Kentucky-American Water Company

Case No. 8571

Schedule of Outstanding Long-Term Debt
For the Test Year Ended ________________

Line No.	Type of Debt Issue (a)	Date of Issue (b)	Date of Maturity (c)	Amount Outstanding (d)	Coupon Interest Rate[1] (e)	Cost Rate At Issue[2] (f)	Cost Rate to Maturity[3] (g)	Bond Rating At Time of Issue[4] (h)	Type of Obligation (i)	Annualized Cost Col.(d)xCol.(g) (j)	Actual Test Year Interest Cost[5] (k)
	Total Long Term Debt and Annualized Cost										
	Annualized Cost Rate (Total Col.(j) ÷ Total Col.(d))										
	Actual Long-Term Debt Cost Rate (Total Col. k ÷ Total Reported in Col. (c) Line 15 of Format 34, Schedule 2)										

[1] Nominal Rate
[2] Nominal Rate Plus Discount or Premium Amortization
[3] Nominal Rate Plus Discount or Premium Amortization and Issuance Cost
[4] Standard and Poor's, Moody, etc.
[5] Sum of Accrued Interest Amoritization of Discount or Premium and Issuance Cost

·struction:
1. Cooperatives are not required to compute the actual long term debt cost rate in Column (j).

Format 35a
Schedule 3

Kentucky-American Water Company

Case No. 8571

Long-Term Debt and Preferred Stock Cost Rates

	Annualized Cost Rate	
	Long-Term Debt	Preferred Stock
Parent Company:		
Test Year		
Latest Calendar year		
System Consolidated:		
Test Year		
Latest Calendar year		

Instruction:

1. This schedule is to be completed only by applicants that are members of an affiliated group.

Kentucky-American Water Company

Case No. 8571

Schedule of Short-Term Debt
For the Test Year Ended ____________

Line No.	Type of Debt Instrument (a)	Date of Issue (b)	Date of Maturity (c)	Amount Outstanding (d)	Nominal Interest Rate (e)	Effective Interest Cost Rate (f)	Annualized Interest Cost Col.(d) x Col.(f) (g)
	Total Short-Term Debt			$			$
	Annual Cost Rate (Total Col.(g) + Total Col.(d))					$	
	Actual Interest Paid or Accrued on Short Term Debt during the Test Year (Report in Col.(g) of this schedule)						$
	Average Short-Term Debt - Format 34, Schedule 2 Line 15 Col.(d) (Report in Col.(g) of this schedule)						$
	Test Year Interest Cost Rate (Actual Interest + Average Short-Term Debt) (Report in Col.(f) of this schedule)					$	

Instructions:

1. In all instances where the Effective Interest Cost Rate is different from the Nominal Interest Rate provide a calculation of the Effective Interest Cost Rate in sufficient detail to show the items of costs that cause the difference.
2. Cooperatives are not required to provide average short-term debt in Column (g) or calculate the actual short-term debt cost rate in Column (f).

Format 36
Schedule 1

Kentucky-American Water Company

Case No. 8571

Schedule of Outstanding Shares of Preferred Stock
For the Calendar Year Ended ____________

Line No.	Description of Issue (a)	Date of Issue (b)	Amount Sold (c)	Amount Outstanding (d)	Dividend Rate (e)	Cost Rate at Issue (f)	Annualized Cost Col.(f) x Col.(g) (g)	Convertibility Features (h)
	Total							
	Annualized Cost Rate (Total Col.(g) ÷ Total Col.(d))							

Instruction:
1. If the applicant has issued no preferred stock, this schedule may be omitted.

Format 36
Schedule 2

Kentucky-American Water Company

Case No. 8571

Schedule of Outstanding Shares of Preferred Stock
For the Test Year Ended ________

Line No.	Description of Issue (a)	Date of Issue (b)	Amount Sold (c)	Amount Outstanding (d)	Dividend Rate (e)	Cost Rate at Issue (f)	Annualized Cost Col.(f) x Col.(g) (g)	Actual Test Year Cost (h)	Convertibilit Features (i)
	Total								
	Annualized Cost Rate (Total Col.(g) ÷ Total Col.(d))								
	Actual Test Year Cost Rate (Total Col.(b) ÷ Total Reported in Col.(e), Line 15 of Format 34, Schedule 2)								

Format 37a

Kentucky-American Water Company

Case No. 8571

Schedule of Common Stock Issues

For the 10 Year Period Ended ______________

DATE OF Issue	DATE OF Announcement	DATE OF Registration	Number of Shares Issued	Price Per Share (Net to Company)	Book Value Per Share At Date of Issue	Selling Exps. As % of Gross Issue Amount	Net Proceeds to Company

Instructions:

1. If applicant is a member of an affiliate group, provide in a separate schedule showing the above data for the parent company.

Format 37b

Kentucky-American Water Company

Case No. 8571

Quarterly and Annual Common Stock Information
For the Periods as Shown

Period	Average No. of Shares Outstanding	Book Value	Earnings per Share	Dividend Rate Per Share	Return on Average Common Equity
5th Calendar Year:					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Annual					
4th Calendar Year:					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Annual					
3rd Calendar Year:					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Annual					
2nd Calendar Year:					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Annual					
1st Calendar Year:					
1st Quarter					
2nd Quarter					
3rd Quarter					
4th Quarter					
Annual					
Latest Available Quarter					

Instructions:

1. Report annual returns only.

2. Cooperatives are not required to provide this data.

3. If applicant is a member of an affiliate group [illegible]
the above [illegible]

Format 37c

Kentucky-American Water Company

Case No. 8571

Common Stock - Market Price Information

Item	MONTH											
	January	February	March	April	May	June	July	August	September	October	November	December
5th Year:												
Monthly High												
Monthly Low												
Monthly Closing Price												
4th Year:												
Monthly High												
Monthly Low												
Monthly Closing Price												
3rd Year:												
Monthly High												
Monthly Low												
Monthly Closing Price												
2nd Year:												
Monthly High												
Monthly Low												
Monthly Closing Price												
1st Year												
Monthly High												
Monthly Low												
Monthly Closing Price												
Months to Date of Filing:												
Monthly High												
Monthly Low												
Monthly Closing Price												

Instructions:

1. Indicate all stock splits by date and type.
2. Cooperatives are not required to provide this data.
3. If applicant is a member of an affiliate group, provide in a separate schedule the above data for the parent company.

Kentucky-American Water Company

Case No. 8571

Computation of Fixed Charge Coverage Ratios
For the Periods as Shown

No.	Item	5th Calendar Year SEC Method	5th Calendar Year Bond or Mortg. Indenture Requirement	4th Calendar Year SEC Method	4th Calendar Year Bond or Mortg. Indenture Requirement	3rd Calendar Year SEC Method	3rd Calendar Year Bond or Mortg. Indenture Requirement	2nd Calendar Year SEC Method	2nd Calendar Year Bond or Mortg. Indenture Requirement	1st Calendar Year SEC Method	1st Calendar Year Bond or Mortg. Indenture Requirement	Test Year SEC Method	Test Year Bond or Mortg. Indenture Requirement
	Net Income												
	Additions:												
	Itemize												
	Total Additions												
	Deductions:												
	Itemize												
	Total Deductions												
	Income Available for fixed charge coverage												
	Fixed Charges												
	Fixed Charge Coverage Ratio												